

AUDITED CONDENSED CONSOLIDATED PROVISIONAL FINANCIAL RESULTS

for the year ended 30 June 2012



SEPHAKU HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2005/003306/06)
Share code: SEP ISIN: ZAE000138459
("Sephaku Holdings" or "the Company" or "the Group")

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2012 Audited R'000	2011 Audited R'000
Assets		
Non-current assets	644 424	691 771
Current assets	29 181	38 773
Non-current assets held for sale	–	21 164
Total assets	673 605	751 708
Equity and liabilities		
Equity attributable to equity holders of the parent	672 623	746 784
Current liabilities	982	4 924
Total equity and liabilities	673 605	751 708
Net asset value per share (cents)	391,54	441,13
Tangible net asset value per share (cents)	391,54	406,16
Ordinary shares in issue	171 790 732	169 290 732

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	2012 Audited R'000	2011 Audited R'000
Cash flows from operating activities	(19 776)	(51 780)
Cash flows from investing activities	(34 712)	(3 927)
Cash flows from financing activities	73 282	46 644
Total cash movement for the year	18 794	(9 063)
Cash at beginning of the year	5 835	14 898
Cash at end of the year	24 629	5 835

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2012 Audited R'000	2011 Audited R'000
Operating loss	(15 694)	(18 990)
(Loss)/profit on disposal of companies	(5 629)	2 289
Profit on dilution of interest in companies	–	407 709
Investment revenue	127	1 089
Loss from equity accounted investments	(107)	(8 859)
(Loss)/profit before taxation	(21 303)	383 238
Taxation	–	(1 558)
(Loss)/profit from continuing operations	(21 303)	381 680
Profit/(loss) for the year	–	–
from discontinued operations	22 296	(37 981)
Profit for the year	993	343 699
Other comprehensive income/(loss) for the year	12 683	(46 921)
Total comprehensive income for the year	13 676	296 778
Total comprehensive income/(loss) attributable to:		
Equity holders of the parent	13 676	303 550
Non-controlling interest	–	(6 772)
Ordinary shares:		
– basic weighted average number of shares	171 080 349	161 305 112
– diluted weighted average number of shares	186 503 819	176 788 582
Basic (loss)/earnings per share from total operations (cents):	0,58	213,07
– Continuing operations	(12,45)	236,62
– Discontinued operations	13,03	(23,55)
Diluted (loss)/earnings per share from total operations (cents):	0,53	194,41
– Continuing operations	(11,42)	215,89
– Discontinued operations	11,95	(21,48)
Headline loss (cents)	(13,27)	(39,63)
Diluted headline loss (cents)	(12,17)	(36,16)
Reconciliation of basic earnings to diluted earnings and headline loss:		
Basic earnings and diluted earnings from total operations attributable to equity holders of the parent	993	343 699
Loss/(profit) on sale of non-current assets	5 629	(409 997)
Profit on unbundling of Sephaku Fluoride Limited	(30 445)	–
Impairments	1 119	2 366
Headline loss attributable to equity holders of the parent	(22 704)	(63 932)
Reconciliation of weighted average number of shares:		
Basic weighted average number of shares	171 080 349	161 305 112
Dilutive effect of share options	15 423 470	15 483 470
Diluted weighted average number of shares	186 503 819	176 788 582

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Total reserves R'000	Retained earnings R'000	Total attributable to equity holders of the parent R'000	Non- controlling interest R'000	Total equity R'000
Balance at 1 July 2010 – Audited	225 215	31 991	149 209	406 415	71 674	478 089
Total comprehensive (loss)/income for the year	–	(40 149)	343 699	303 550	(6 772)	296 778
Issue of shares	47 054	–	–	47 054	–	47 054
Dilution of control in Sephaku Cement (Pty) Limited	319 859	–	(319 859)	–	(64 902)	(64 902)
Employees share option scheme	–	1 548	1 782	3 330	–	3 330
Dividend <i>in specie</i>	–	–	(13 565)	(13 565)	–	(13 565)
Balance at 30 June 2011 – Audited	592 128	(6 610)	161 266	746 784	–	746 784
Total comprehensive income for the year	–	12 683	993	13 676	–	13 676
Issue of shares	9 000	–	–	9 000	–	9 000
Employees share option scheme	–	4 222	34	4 256	–	4 256
Dividend <i>in specie</i>	(101 093)	–	–	(101 093)	–	(101 093)
Balance at 30 June 2012 – Audited	500 035	10 295	162 293	672 623	–	672 623
Dividend <i>in specie</i> per share R0,59 (2011: R0,09) (2012: Unbundling of Sephaku Fluoride Limited) (2011: Unbundling of Incubex Minerals Limited)						

NOTES TO THE CONDENSED CONSOLIDATED PROVISIONAL FINANCIAL RESULTS

Segment information

Due to the dilution of Sephaku Holdings' interest in Sephaku Cement (Pty) Limited ("Sephaku Cement") and the unbundling of Sephaku Fluoride Limited ("Sephaku Fluoride") and the Incubex Mineral Limited subsidiaries' assets and liabilities, the only reportable segment in 2011 was Fluorspar. No segment reporting has therefore been presented in the current or prior reporting period.

Basis of preparation

The condensed consolidated provisional financial results for the year ended 30 June 2012 ("annual reporting period") have been prepared in accordance with IAS 34: Interim Financial Reporting, as well as the AC 500 series of interpretations as issued by the Accounting Practices Board, on a historical cost basis, except for the measurement of property at revalued amounts and conform to International Financial Reporting Standards ("IFRS").

The accounting policies adopted for the annual reporting period are consistent with those applied in the annual financial statements for the Group for the year ended 30 June 2011.

The annual reporting period results have been prepared in accordance with the disclosure requirements of the JSE Limited Listings Requirements and the Companies Act of South Africa, 2008 (as amended).

The preparation of the financial statements have been supervised by NR Crafford-Lazarus, CA(SA).

Audit opinion

The financial results have been audited by the Group's external auditors, PKF (Gauteng) Inc. A copy of their unqualified audit report is available for inspection at the Company's registered office.

Statement on going concern

The financial statements for the annual reporting period have been prepared on the going-concern basis as the directors have every reason to believe that the Company has adequate resources in place to continue in operation for the foreseeable future.

Significant events and transactions

Sephaku Fluoride unbundling

Sephaku Holdings subscribed for an additional 177 064 202 shares in Sephaku Fluoride at R0,58875 per share, of which 5 373 470 Sephaku Fluoride shares were sold to Cross Company Management (Pty) Limited ("Cross Company Management") at R0,58875 a share, to be held for the benefit of the holders of certain vested options over Sephaku Holdings shares, which options were issued in terms of a share scheme prior to the listing of the Company.

Shareholder approval was obtained on 7 March 2012 for the distribution of all the remaining Sephaku Fluoride shares held by Sephaku Holdings to Sephaku Holdings shareholders by way of a dividend *in specie* (out of contributed tax capital) of R101 092 918, as a *pro rata* payment to shareholders on 26 March 2012 in the ratio of 1 Sephaku Fluoride share, valued at R0,58875, for every 1 Sephaku Holdings share held on the Sephaku Fluoride distribution record date.

Sephaku Fluoride and its subsidiaries' assets and liabilities have been deconsolidated from Sephaku Holdings and the total profit for the Sephaku Fluoride group for the period up to the unbundling end of March 2012, is included in the statement of comprehensive income as a R22 million profit from discontinued operations.

Disposal of African Nickel Holdings

Sephaku Holdings disposed its 26% interest in African Nickel Holdings (Pty) Limited ("African Nickel Holdings") for a cash consideration of R15,7 million on 8 May 2012.

The total historical cost of the investment was R3,0 million. The total profit on the disposal of the investment amounted to R12,6 million of which a profit of R18,2 million was recognised on the initial sale to the Wu Group and a loss of R5,6 million was recognised during the current financial year as the difference between the fair value less cost to sell of the asset held for disposal of R21,3 million and the selling price of R15,7 million. It was also agreed that the loan to African Nickel Holdings of R8,3 million will be repaid and R4,7 million was received as a first payment during the year.

Events after the annual reporting period

Sephaku Holdings is pleased to announce that it has entered into negotiations, which negotiations are at an advanced stage, regarding the potential acquisition of a company that operates in the construction and building material supplies industry.

The acquisition, if successful, is expected to have synergistic benefits for Sephaku Holdings and its associate, Sephaku Cement.

The acquisition is in line with Sephaku Holdings stated strategy of focusing on cement and cement-related products.

The directors are not aware of any other matters or circumstances arising since the end of the financial period that could materially affect the financial results.

Changes to the board

On 3 May 2012, Mr Brent Williams was appointed as the Independent Non-Executive Chairman of the Company.

Dr Lelau Mohuba was subsequently appointed as Chief Executive Officer and Mr Neil Crafford-Lazarus as the Financial Director of the Company. Dr Gilimamba Mahlati resigned as Non-Executive Director on 2 July 2012.

On behalf of the board

Neil Crafford-Lazarus
Financial Director

Lelau Mohuba
Chief Executive Officer

Pretoria

27 September 2012

COMPANY INFORMATION:

Directors:

B Williams* (Chairman), Dr L Mohuba* (Chief Executive Officer)
NR Crafford-Lazarus* (Financial Director), RR Matjiu*, MG Mahlare*, CRD de Bruin, Dr GS Mahlati
MM Ngoasheng, PF Fourie, Dr D Twist, J Bennette#, JW Wessels#
*Independent *Executive #Alternate

Company secretary:

J Bennette

Registered office:

1st Floor, Hennops House, Riverside Office Park, 1303 Heuwel Avenue, Centurion, 0157

Transfer Secretaries:

Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001

Sponsor:

QuestCo (Pty) Limited